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PART I—Section 1

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LABOUR, EMPLOYMENT AND REHABILITATION

(Department of Labour and Employment)

RESOLUTION

New Delhi, the 18th *September* 1969

No. WB-13(4)/69.—By their Resolution No WB-19(2)/65, dated the 21st March, 1966, the Government of India set up a Central Wage Board for Leather and Leather Goods Industry, with the following composition and terms of reference:

(A) **Composition**

Chairman

Shri M. Sriramamurty.

Independent Members:

1. Shri T. Jiyyar Das.
2. Dr. D. L. Narayana.

Members Representing Employers:

1. Shri Haji Mohamed Sami.
2. Shri A. Mohd. Ghouse.

Members Representing Workers:

1. Shri Ramanand Das.
2. Shri Sailen Paul.

(B) **Terms of reference**

(a) to determine the categories of employees (manual, clerical, supervisory etc.) who should be brought within the scope of the proposed wage fixation;

(b) to work out a wage structure based on the principles of fair wages as set forth in the Report of the Committee on Fair Wages; as conditions and problems in tanneries differ substantially from those in leather and footwear industries, the Board shall take into account such differences while making its recommendations and if necessary evolve separate wage structures for these two industries.

Explanation.—In evolving a wage structure the Board will take into account, in addition to the consideration relating to fair wages:

(i) the needs of the industry in a developing economy including the need for maintaining and promoting exports;

(ii) the requirements of social justice;

(iii) the need for adjusting wage differentials in such a manner as to provide incentive to workers for advancing their skill;

(iv) the special features of the Leather and Leather Goods Industry; and

(v) the desirability of extending the system of payment by results.

Explanation.—In applying the system of payment by results the Board shall keep in view the need for fixing a minimum (fall-back wage) and also to safeguard against over-work and undue speed.

2. The Government of India by a subsequent Resolution dated the 19th August, 1966, decided that the coverage of the Wage Board will be extended to establishments—

(i) whereon ten or more workers are working and in any part of which a manufacturing process is being carried on with the aid of power; and

(ii) whereon twenty or more workers are working and in any part of which a manufacturing process is being carried on without the aid of power.

3. The Board's recommendations in regard to interim relief were received by Government on 4th November, 1966. These were accepted by Government by their Resolution No. WB-13(11)/66, dated the 16th December, 1966, and the parties concerned were requested to implement these

4. The Board's final report was submitted to Government on the 14th August, 1969. A summary of conclusions and recommendations of the Board is appended.

5. Government have taken note of the recommendations made in paras 2·49 and 2·53 of the Wage Board's report and decided to bring them to the notice of the Department of Industrial Development and the Department of Foreign Trade respectively.

6. The creation of welfare funds for various industries including the leather industry has been recommended by the Committee on Labour Welfare also. It is, therefore, not proposed to take action separately on the recommendation made in para 6·5 of the Wage Board's report.

7. It has been decided to accept the other recommendations made by the Wage Board and to request the parties to implement the same expeditiously.

8. The Government of India wish to express their appreciation of the manner in which the Board has dealt with the matters referred to it and made unanimous recommendations.

APPENDIX

Summary of Conclusions and Recommendations:

1.1. Leather and leather goods industry is an important one, providing employment to a large number of workmen belonging to the backward communities and earning considerable foreign exchange (para. 2.34). But more foreign exchange can be earned if finished leather rather than semi-finisned leather is exported and this can be achieved to some extent by adopting modernisation in the methods of tanning (2.35). Manufacture of footwear is one of the important items in the leather goods industry. The marketing of shoes produced by the cottage units is exposed to some malpractices like 'chit' and footage" system. To minimise the evils of the above malpractices the Board recommends that the Khadi and Village Industries Commission may make necessary arrangements for starting a central marketing depot with the main object of purchasing the goods manufactured by cottage sector and also to render technical help through their utility centres to maintain the quality of goods (paras. 2.48 and 2.49). In the manufacture of the other leather goods like suit cases, hand bags, etc., on account of sub-standard fittings used the general get up of the finished product suffers. The State Trading Corporation may also take the same interest in the export of other leather goods as it has evinced in the case of export of footwear (para 2.53).

Coverage:

1.2. The recommendations of this Board shall apply to all leather and leather goods establishments where manufacturing processes are being carried on and where 20 or more persons are employed without the aid of power or 10 or more persons are employed with the aid of power. A list of establishments so covered is given in Appendix II*. Further, our recommendations apply to all units now in existence or which would come into existence hereafter, provided they fall within the terms of reference given to the Board. The list shown in Appendix II is only illustrative and not exhaustive (para 3.3).

1.3. Those establishments which specialise in taxidermy are excluded from the Board's purview (para 3.4).

1.4. Raw hide godowns and sales depots, if they are directly owned by the management of the tannery or leather goods establishment, will also be covered by our recommendations (para 3.5).

1.5. Units manufacturing pickers and picking bands are covered by our recommendations for the reasons recorded in Chapter III. (para 3.10—3.19).

Scope:

1.6. The categories of employees listed under 'A' below fall within the scope of our enquiry and those under 'B' are excluded from our purview:

'A'

(a) All employees drawing a total wage not exceeding Rs. 500/- per month whether they be permanent, temporary, casual, time-rated or piece-rated; and manual, clerical technical or supervisory;

(b) contract labour employed on work which is incidental to the manufacturing process and is necessary for it and of a perennial nature which must generally be done every day by workmen in the regular employ of the employer;

(c) probationers; and

(d) head office and branch office staff and staff in sales depots and purchase sections directly employed by the establishments but not otherwise.

'B'

(a) apprentices, learners and trainees;

(b) contract labour not covered by A(b) above, i.e., those employed temporarily on construction work laying of roads in the premises, repairs to building, etc.; and

*Not printed.

(c) teaching staff in educational institutions attached to and managed by the leather and leather goods units (para 3.25).

Financial position of the leather and leather goods industry:

1.7. A study of the financial position of leather and leather goods industry with a view to assess the capacity of the industry to pay has disclosed that the performance of the 33 units from whom accounts had been received was satisfactory. It must here be mentioned that, in spite of repeated requests, large number of units have either not furnished the financial data called for by the Board or supplied insufficient information with the result that the study has become restricted. Within the limitations that flow from the above situation, it has to be assumed that the satisfactory position shown by the 33 units may also be true in relation to the industry in general. An important consideration that weighed with the Board while analysing the financial position was the export capability of this industry. In recent years, while the quantitative exports of hides and skins showed some decline, that of footwear showed increase. However, to arrest the downward trend in the case of hides and skins and to promote further export of footwear, effective cost control measures may be necessary. The past satisfactory performance of the industry was on the basis of the existing wage structure which was low excepting in a few well-organised units. Steep increases in the wage bill may effect the economy of the units and hence we have suggested a reasonable increase in the wages as also a phased programme of payment wherever necessary (paras 4.13.1 to 4.13.5).

Wages and allowances—General principles:

1.8. Where the lower limit of the fair wage must obviously be the minimum wage, the upper limit is equally set by what may broadly be called the capacity of industry to pay. Between these two limits the actual quantum of wages will depend on a consideration of the following factors:—

(i) the productivity of labour;

(ii) the prevailing rates of wages in the same or similar occupations in the same or neighbouring localities;

(iii) the level of the national income and its distribution; and

(iv) the place of the industry in the economy of the country (para 5.1).

On the question of productivity, the Fair Wages Committee has observed that the fair wage should relate to a fair load of work. The Board does not propose to disturb the existing piece-rate system wherever it is prevalent and recommends that the piece-rate system may be extended to other tanneries where such a system does not exist after fixing fair work-loads by negotiation between the employers and the employees (para 5.9). In framing the wage structure the Board kept in view the factors referred to above.

For the reasons stated by the Board in Chapter V, it is not feasible to adhere to the norms as laid down by the 15th Indian Labour Conference and no wage fixing authority has yet been able to recommend the need-based minimum wage (para 5.26). The Board approached the problems confronting this industry in a realistic way by recommending an improvement in the existing wages which are by and large governed by the Minimum Wages Act and by providing dearness allowance linked to the consumer price index wherever it is non-existent (para 5.28).

RECOMMENDED WAGES AND ALLOWANCES

Basic wages for workers other than clerical, technical or supervisory in leather industry (tanneries):

1.9. (a) All workers whether they are time-rated, piece-rated, daily rated or monthly rated shall be given an increase of 15 per cent. over the existing wages on 1st April, 1969. The expression existing wages means consolidated wages, or the basic wages, D.A. and/or variable dearness allowance brought upto 1st April, 1969, or the piece-rates for the first unit, all fixed under the Minimum Wages Act and includes any payment made under an award or an agreement and the interim relief already given by the Board by Resolution No. WB-13(11)/66, dated the 16th December, 1966. (para 5.34).

(b) No worker shall receive less than Rs. 78/- per mensum or Rs. 3/- per day in any state. (para 5.35).

(c) The increase of 15 per cent. referred to above will be on the rate for the first unit of work. The work-loads relative to piece-rates shall be as they are at present. (para 5.36-5.37).

(d) The minimum guaranteed wage, i.e., the fall-back wage for all piece-rated workers shall be Rs. 3/- per day. (para 5.39-5.40).

(e) Where no rates of wages have been fixed under the Minimum Wages Act for categories of workers other than unskilled workers, we recommend that a semi-skilled worker should get 20 per cent. more than the recommended wage for an unskilled worker, and a skilled worker 40 per cent. more than the recommended wage for the unskilled worker. Where there is a classification already, the 15 per cent. increase will apply to the wages of each of these three categories. (para 5.41-5.42).

(f) In certain states no minimum rate of wages have been fixed for workers. For workers in these States, the wages shall be those prescribed for the nighbouring State, as indicated below:—

Sl. No.	Name of the State/Union Territory wherein no minmum rates of wages have been fixed for this industry	Name of the neighbouring State
1	Assam	West Bengal
2	Manipur	West Bengal
3	Tripura	West Bengal
4	Orissa	Bihar
5	Rajasthan	Madhya Pradesh
6	Goa, Daman & Diu	Maharashtra, Zone IV
7	Delhi	Punjab/Hariana
8	Jammu & Kashmir	Punjab/Hariana
9	Himachal Pradesh	Punjab/Hariana
10	Pondicharry	Tamilnadu (para 5.43—5.44)

(g) The existing differences in the quantum of wages between one zone and another zone for the same category of workers in any State as well as for different skills have as far as possible been maintained. (para 5.45).

Basic wages for workers other than clerical, technical and supervisory in leather goods industry including footwear:

1.10. Time rated and piece-rated workers in the leather goods establishment including footwear shall draw increases in wages mentioned against each slab in

the table below over and above the wages or emoluments drawn by them as on 1st April, 1969.

Present wages/emoluments	Wage Board's increase	Minimum recommended wage/ emoluments for each slab	Yearly increment for 10 years
1	2	3	4
	Rs.	Rs.	
Up to and inclusive of Rs. 75/- p.m. . .	26·00	78·00	0·04 paise per day or Rs. 1·04 p.m.
Above Rs. 75/- p.m. but not more than Rs. 150/- p.m.	16·12	101·00	0·06 paise per day or Rs. 1·56 p.m.
Above Rs. 150/- p.m. and upto Rs. 500/- p.m.	13·00	166·12	0·08 paise per day or Rs. 2·08 p.m.

The above Wage Board's increase is inclusive of interim relief. (para 5.54).

Increments and grades for workmen other than clerical, supervisory and technical in leather and leather goods industry:

1.11. For the various categories of workers depending on their skills or the recommended wages, we have recommended increments ranging from Rs. 0.04 per day or Rs. 1.04 per month to Rs. 0.10 per day or Rs. 2.60 per month except for 'splitters' in Punjab for whom an increment of Rs. 0.12 per day or Rs. 3.12 per month has been given (para 5.58-5.59).

1.12. However, wherever workers have been classified as unskilled, semi-skilled and skilled either in our recommendations or under the Minimum Wages Act, the rates of increment will be Rs. 0.04 paise per day or Rs. 1.04 per month for the unskilled; Rs. 0.06 paise per day or Rs. 1.56 per month for the semi-skilled; and Rs. 0.08 paise per day or Rs. 2.08 per month for the skilled categories. (para 5.60).

1.13. The rates of increment for all piece-rated workers, irrespective of the emoluments drawn by them, shall be Rs. 0.06 paise per day or Rs. 1.56 per month. The scales of wages for all the categories shall be for a span of ten years. Annexures 2(a) to 2(k) to Chapter V give the grades of wages for workers in tanneries in various States. (para 5.61).

1.14. Workers in leather goods industry will receive increments indicated in column 4 of the table given in para 5.54 and this will be added to the Wage Board tanneries in various States. (para 5.61).

Wages for clerical, supervisory and technical staff in leather and leather goods industry:

1.15. The following are the scales of pay recommended for the clerical, supervisory and technical staff in the leather and leather goods industry:—

Grade		
	Clerical	
I	Rs. 90—5—140—6—170	(15 years)
II	Rs. 120—7—190—8—230	(15 years)
III	Rs. 160—10—260—12—320	(15 years)
	Supervisory and Technical	
A	Rs. 85—4—125—6—155	(15 years)
B	Rs. 120—6—180—8—220	(15 years)
C	Rs. 150—8—230—10—330	(20 yers)
D	Rs. 200—10—300—15—450	(20 years)

(para 5·67)

More than one scale has been prescribed for the above categories in order that the appropriate grade can be chosen by the individual factories concerned depending upon their size, nature of work, responsibility, financial capacity and the salary drawn by the individual at present. (para 5.68).

Service weightage:

1.16. Workers on permanent rolls in tanneries, clerical, supervisory or technical staff in tennaries and leather goods establishments shall receive one increment in the recommended grades applicable to them for every five completed years of service subject to a maximum of two increments, after being brought to the minimum of the grade or to a step in the recommended scale equivalent to immediately higher step in the recommended scale. In the case of workers in the leather goods units, the service weightage will be added to the Wage Board's increase. (para 5.70).

Dearness allowance for workers including clerical, technical and supervisory staff in leather and leather goods industry:

1.17. Dearness allowance comes into effect when the average All India Consumer Price Index (1960=100) goes up by 5 points over 178, the average for the six month period July to December, 1968 to which the wages recommended by the Board has been notionally related. The amount of dearness allowance is Rs. 1.30 per mensem or Rs. 0.05 per day for every 5 points. There will be reduction in the dearness allowance if the consumer price index records a fall by 5 points but there will be no downward adjustment of the dearness allowance for a fall below 178 points. The adjustments in dearness allowance shall be made every six months on 1st October and 1st April, the first one being made in October, 1969 if there is an increase in the average consumer price index as indicated above. For the revision in October the average of the index shall be for the six month period January to June, of the same year and for that in April the relevant average will be the six month period July to December of the previous year. (para 5.72).

1.18. The fixed dearness allowance now paid in Mysore under the Minimum Wages Act will be merged with the basic wages recommended by the Board. The dearness allowance payable for unskilled, semi-skilled and skilled workers in tanneries in West Bengal is Rs. 59/-, Rs. 62/-, and Rs. 67/- respectively as fixed by the Government of West Bengal in their notification, dated 23rd May, 1969. The other conditions regarding variation in dearness allowance, linking, etc., will be the same as in the above notification. (para. 5.73).

1.19. In Punjab, the dearness allowance and other conditions pertaining to D.A. will be as prescribed under the Minimum Wages Act in notification No. 11995-2. L&E-68/25111, dated the 4th July, 1969. (para. 5.74).

1.20. For workers in leather goods establishments, the dearness allowance will be as for the workers in tanneries. (para 5.75).

1.21. Clerical, technical and supervisory staff will also be paid the same dearness allowance as for workers in tanneries except in West Bengal and Punjab. In West Bengal the dearness allowance payable for these categories will be Rs. 75/- as prescribed in notification, dated 23rd May, 1969 issued by the Government of West Bengal under the Minimum Wages Act. So also for clerical, supervisory and technical staff in Punjab the dearness allowance formula will be as stated by the Government of Punjab in their recent notification, dated 23rd May, 1969. (para 5.76-5.77).

Ad hoc **increase:**

1.22. Workers in tanneries other than clerical, technical and supervisory staff who, by reason of their emoluments being higher than the maximum of the grades recommended by us, are not benefited by our recommendations, will receive an *ad hoc* payment of Rs. 0.29 per day or Rs. 7.50 per month over and above their emoluments plus the amount of interim relief. Clerical, technical and supervisory staff in tennaries and leather goods units, if they are not benefited by our recommendations, will receive Rs. 12.50 per month in addition to the interim relief. The *ad hoc* increase and the interim relief shall be treated as pay for all purposes. If the present emoluments including interim relief in the above instances are higher than the maximum of the grades recommended by us by an amount less than Rs. 7.50 or Rs. 12.50 as the case may be, the short fall shall be made good (para 5.78-5.79).

1.23. The wages of a worker who is in receipt of higher wages than that we have recommended on account of variable dearness allowance or dear food allowance shall not fall below the maximum of the grade (in which he would have been fixed if he had not been in receipt of higher wages) plus the dearness allowance, if any, according to the Wage Board recommendations at the relevant time, even though there is a fall in the consumer price index to which the existing dearness allowance or dear food allowance is linked. (para 5.80-5.81).

Phasing:

1.24. To avoid hardship to the units paying substantially lower wages than the recommended wages, the difference between the recommended wages and the existing wages shall be made up in two equal instalments. The first instalment will be paid on the date of implementation and it will be not less than Rs. 10/- and the balance, if any, shall be paid on 1st January, 1970. (para 5.82).

Fitment:

1.25. The general principles as well as some examples for fitment for all categories of workers in leather and leather goods industry have been given in detail in Chapter V. In the process of fitment marginal adjustments, if found necessary, may be made by the employers and the employees after mutual discusion. (paras 5.83-5.89).

New Units:

1.26. Tanneries which may come into existence hereafter will pay the same wages and dearness allowance as recommended by the Board for the existing units (para 5.90).

1.27. Because we have recommended only increases over existing wages for workers in leather goods establishments now functioning and as there are no existing wages for workers in establishments which may come into existence hereafter, the following wages are recommended for such new establishments:—

Unskilled workers . . .	Rs. 78·00 p.m. or Rs. 3·00 per day
Semi-skilled workers . . .	Rs. 93·60 p.m. or Rs. 3·60 per day
Skilled workers . .	Rs. 109·20 p.m. or Rs. 4·20 per day

The above is, however, subject to the following conditions:—

(i) If the rates prescribed under the Minimum Wages Act and applicable to the workers are higher than those mentioned above, such higher rates shall be paid to the workers, together with the increases recommended by us in paragraph 5.54 of the report;

(ii) If the workers are paid on piece-rate basis, the piece-rate earnings per day or per month should not fall below the wages mentioned above.

The workers should also be paid the dearness allowance prescribed by this Board as and when it falls due. They will be also eligible for increments prescribed for these categories of workers in paragraph 5.63.

1.28. Clerical, technical and supervisory staff, both in leather and leather goods establishments, which come into existence hereafter, will get the starting basic wages prescribed by us. They will also be given dearness allowance at the prescribed rate, if due, on the basis of consumer price index (para 5.91—5.93).

Women Workers:

1.29 The Board would like to commend the I.L.O. Convention No. 100 wherein it was laid down that equal remuneration for men and women workers for work of equal value should be paid. (para 5.94).

Financial burden:

1.30. The approximate increase in the wage burden as a result of the Board's recommendations would be Rupees forty lakhs per annum for both the leather and leather goods industry. This estimate suffers from certain limitations already stated (para 5.95).

Conclusion:

1.31. We have endeavoured to the best of our ability to visualise and provide for various contingencies that may arise in the implementation of our recommendations But there may be some marginal cases which should be resolved by the

employers and the employees in a spirit of mutual goodwill. Otherwise our recommendations should not be mutilated and must be taken as a sort of package. It is, however, made clear that nobody shall be adversely affected by reason of our recommendations (para 5.96).

Welfare measures:

1.32. Working conditions in a majority of leather and leather goods units need improvement in respect of ventilation, working space, drinking water, bathing facilities, etc. Gloves, aprons and protective equipment should be provided in operations like soaking, delimining, etc., of they are not already provided and workers must co-operate and use them properly (para 6.2).

1.33. The following leave facilities should be provided to the workers:—

(i) In addition to the privilege leave as per the Factories Act, casual leave with pay for 5 days in a year for permanent workers.

(ii) Six paid National and Festival Holidays in a year. These holidays are to be determined by mutual consent between employers and employees (para 6.3).

1.34. The employers and employees of each leather and leather goods unit should come together and work out a mutually agreeable gratuity scheme commensurate with the financial position of the individual factories (para. 6.4).

1.35. The Wage Board recommends that the concerned State Governments or the Central Government in liaison with State Governments may consider a scheme of Welfare Fund by levying a cess to provide welfare facilities to the workers in this industry, including medical facilities (where the E.S.I. Scheme is not in force) to give loans to workmen on easy terms to build their own houses (para 6.5).

1.36. If the existing facilities are more advantageous they should be continued (para 6.6).

Date of implementation:

1.37. The Board is of the opinion that its recommendations shall come into effect on and from 1st July, 1969 and should be in force for a period of five years from the date of implementation (para 5.97).

ORDER

Ordered that a copy of the Resolution be communicated to all concerned.
Ordered also that the Resolution be published in the Gazette of India (Extraordinary) for general information.

T. S. SANKARAN, Jt. Secy.

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